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FEDERAL ELECTION COMMISSION 999 E Street, N.W. Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

MUR: 4748

DATE COMPLAINT FILED: 5/19/98 DATE OF NOTIFICATION: 5/28/98 DATE ACTIVATED: 10/23/98

STAFF MEMBER: John Velasquez

COMPLAINANT:

Citizens for Ron Klink

RESPONDENTS:

WPXI, Inc. t/a WPXI-TV Channel 11

Carrie Moniot, WPXI-TV Pamela Spagnol, WPXI-TV

RELEVANT STATUTES:

2 U.S.C. § 441b

2 U.S.C. § 441f

INTERNAL REPORTS CHECKED:

Yes

FEDERAL AGENCIES CHECKED:

None

I. GENERATION OF MATTER

This MUR arises from a complaint filed by Judith L. Corley, counsel for Citizens for Ron Klink. The complainant alleges that WPXI-TV ("WPXI") and employees of WPXI violated the Federal Election Campaign Act ("the Act") by making an unlawful corporate contribution and by using corporate funds to make a contribution in the name of another.

II. FACTUAL AND LEGAL ANALYSIS

A. Law

The Federal Election Campaign Act ("the Act") prohibits corporations or any director or officer of a corporation from making a contribution or expenditure in connection with any election to a federal political office. 2 U.S.C. § 441b(a). A contribution or expenditure includes "any

direct or indirect payment, distribution, loan advance, deposit, or gift of money or any services, or anything of value (except a loan of money by a bank in accordance with applicable laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party organization " 2 U.S.C. § 441b(b)(2).

The Act also prohibits a contributor from attempting to hide a contribution to a candidate or committee by making the contribution in the name of another person. 2 U.S.C. § 441f.

B. Facts

MUR 4748 arose from a complaint received by the Federal Election Commission ("Commission") on May 19, 1998. Judith L. Corley, as counsel for Citizens for Ron Klink, alleges that television station WPXI of Pittsburgh, Pennsylvania, and Pam Spagnol violated two sections of the Federal Election Campaign Act. Specifically, the complaint alleges that WPXI made unlawful corporate contributions to Congressman Ron Klink and other members of Congress from western Pennsylvania, a violation of § 441b, and that Pam Spagnol made a contribution in the name of another, a violation of § 441f of the Act. In addition, Bruce Mehlman of the National Republican Congressional Committee ("NRCC") forwarded a letter to the Commission that he sent to Ms. Spagnol addressing his concerns over Ms. Spagnol's contributions.

The heart of this MUR involves the production of a news story to see whether a member of Congress is more apt to respond to a constituent's policy query when a contribution is attached, than when one is not. According to the complaint, Mary Kiernan, an Administrative Assistant for Congressman Ron Klink, received a call on May 15, 1998 from Carrie Moniot, apparently a producer for WPXI. Ms. Kiernan relates that Ms. Moniot requested an interview with the Congressman because she believed that the office had "cashed 'their' check." When Ms. Kiernan asked her to elaborate, Ms. Moniot explained that the station had asked two employees

¹ <u>See Barbara Vancheri, Dr. Quinn Flatlines at CBS; Fans Attempt Resuscitation</u>, Fittsburgh Post Gazette, May 28, 1998, §G, at 4 (describing that Ms. Moniot won an award for producing "Regional Sales Tax: The Voter's Choice," on WPXI).

to each write a letter to all the members of Congress from western Pennsylvania.² She further explained that one employee was instructed to send a letter with a question about Social Security while the other employee was to send an identical letter but with a campaign contribution concluded. According to Ms. Kiernan, Ms. Moniot mentioned that the station had provided funds to make the political contributions. Ms. Moniot also explained that the station wanted to see if enclosing a political contribution would result in an expedited response from the members of Congress.

Another target of the WPXI news story was Congressman Phil English. Apparently, at some point a contribution from Ms. Spagnol was sent to his office. Later in June of 1998, after this complaint was filed, Ms. Spagnol sent a letter to the Congressman's office informing them that the letter and \$50 contribution were "sent as part of a news story that was being prepared for WPXI-TV." Bruce Mehlman, Chief Counsel for the NRCC, responded to Ms. Spagnol by expressing his concern that WPXI violated federal election laws and informed Ms. Spagnol that the People for English committee refunded Ms. Spagnol's contribution to the United States Treasury.

In response to the Commission's May 28, 1998, letter requesting relevant factual or legal materials, counsel for WPXI "concluded that any violations that may have occurred were purely unintentional and that conciliation would be appropriate in this matter." Counsel for WPXI added that "WPXI has taken steps to correct any potential violations and will voluntarily provide the Commission with any relevant documents or testimony that may expedite the Commission's resolution of this matter."

² WPXI has not identified the employee who sent the other letter or indicated whether that employee may have included a contribution to any of the other recipients. With the evidence currently available, it is not possible to determine readily how many Congressional offices may have received contributions from WPXI. A contributor search revealed that Pamela Spagnol had a \$50 check refunded to her from the Doyle For Congress Committee, a political committee for Rep. Mike Doyle of western Pennsylvania. Moreover, in Pittsburgh and the surrounding area of western Pennsylvania, there are at least six Congressional districts: PA-04 (Klink), PA-12, PA-14, PA-18 (Doyle), PA-20, and PA-21 (English).

C. Analysis

1. Corporate contributions given to several members of Congress.

WPXI, through Pamela Spagnol, appears to have made several corporate contributions to federal candidates in violation of 2 U.S.C. § 441b. According to the complaint and the accompanying affidavit, Ms. Moniot mentioned to Rep. Klink's office that the station provided funds to Ms. Spagnol for the purpose of making contributions to selected members of Congress. The assertions made in the complaint appear to have been confirmed by the letter from Ms. Spagnol, to the Office of Phil English, explaining that her contributions were made in connection with a news story.

With the evidence available, Ms. Moniot's role in the creation of the news story is not clear, but she may have played a part in the contribution plan because she is apparently a producer for WPXI. However, following a review of publicly available materials by this Office, it appears that Ms. Moniot is not an officer or director of WPXI.

2. Contributions given in the name of another.

WPXI, through Pamela Spagnol, may have made contributions in the name of another, a violation of 2 U.S.C. § 441f. This may have been accomplished by enlisting Ms. Spagnol to use corporate funds in order to make contributions to a number of Congresspersons. By disguising the origins of the contributions, WPXI may have misled an unknown number of Congresspersons and their political committees into believing that they were actually receiving legal contributions from an individual.

Pamela Spagnol appears to have violated 2 U.S.C. § 441f. The material available indicates that Ms. Spagnol wrote at least three checks to members of Congress from western Pennsylvania. In addition, according to the complaint, Ms. Moniot mentioned that WPXI provided funds for these contributions. Thus, it appears that Ms. Spagnol allowed her name to be used to make a contribution with funds that were actually from WPXI.

D. Conclusion

WPXI has not disputed the assertions made in the complaint. Moreover, WPXI has apparently taken steps to inform the relevant members of Congress of the actual nature of the contributions in Ms. Spagnol's name.³ According to WPXI's response, it appears that their actions were a onetime transgression. Furthermore, it appears unlikely that WPXI will undertake similar activities in the future. Therefore, this Office recommends that the Commission find reason to believe WPXI violated 2 U.S.C. § 441f and 441b, but take no further action, and authorize this Office to send admonishment letters to ensure that WPXI and its employees are made aware of the gravity of their actions.

Ms. Carrie Moniot, apparently a producer for WPXI, also is a respondent in this matter. At this time, her precise role in the WPXI news story is unclear, but there is no evidence that she allowed her name to be used to make any contributions. Additionally, as there is nothing in the current record to indicate that she is an officer of the corporation, this Office recommends that the Commission find that there is no reason to believe that Ms. Carrie Moniot violated the Act and close the file with respect to Ms. Moniot.

For these reasons, this Office recommends that the Commission find reason to believe that WPXI violated 2 U.S.C. § 441b, and 2 U.S.C. § 441f, and take no further action with respect to WPXI. In addition, this Office recommends that the Commission find reason to believe that Pamela Spagnol violated 2 U.S.C. § 441f, and take no further action with respect to Ms. Spagnol. With regard to Carrie Moniot, this Office recommends that the Commission find that there is no reason to believe that she violated that Act with regard to the complaint in MUR 4748. Lastly, this Office recommends that this file be closed with respect to all respondents.

³ WPXI, through counsel, seeks conciliation in this matter, and asserts that it will provide the Commission with any relevant documents or testimony.

III. RECOMMENDATIONS

- 1. Find reason to believe that WPXI, Inc. violated 2 U.S.C. § 441b, and 2 U.S.C. § 441f, and take no further action.
- 2. Find reason to believe that Pamela Spagnol violated 2 U.S.C. § 441f and take no further action.
- 3. Find no reason to believe that Carrie Moniot violated the Act with regard to the complaint in MUR 4748.
- 4. Approve the attached Factual and Legal Analyses.
- 5. Approve the appropriate letters.
- 6. Close the file.

Lawrence M. Noble General Counsel

April 2, 1999

BY:

Associate General Counsel

Attachments:

- 1. Factual and Legal Analysis for WPXI, Inc.
- 2. Factual and Legal Analysis for Pamela Spagnol.
- 3. Factual and Legal Analysis for Carrie Moniot



MEMORANDUM

TO:

LAWRENCE M. NOBLE

GENERAL COUNSEL

FROM

MARJORIE W. EMMONS/LISA R. DAV

COMMISSION SECRETARY

DATE:

APRIL 8, 1999

SUBJECT:

MUR 4748 - First General Counsel's Report

dated April 2, 1999.

The above-captioned document was circulated to the Commission

on Monday, April 05, 1999.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Elliott __

Commissioner Mason XXX

Commissioner McDonald XXX

Commissioner Sandstrom ___

Commissioner Thomas ___

Commissioner Wold XXX

This matter will be placed on the meeting agenda for

Tuesday, April 13, 1999.

Please notify us who will represent your Division before the Commission on this matter.



FEDERAL ELECTION COMMISSION Washington, DC 20463

MEMORANDUM

TO:

Office of the Commission Secretary

FROM:

Office of General Counsel

DATE:

April 2, 1999

SUBJECT:

MUR 4748 - First General Counsel's Report

The attached is submitted as an Agenda document for the Commission

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